

Newington Volunteer Ambulance Corps, Inc.

P.O. Box 310061

Newington, CT 06131-0061

Phone: (860) 667-5825

"Serving Newington With Pride And Excellence"

Fax: (860) 594-4148

February 26, 2009

Committee on Labor and Public Employees
3 p.m.

Committee Bill No. 5519

An act concerning workers compensation premiums and volunteer ambulance companies.

I am Chief Scott Woods of the Newington Volunteer Ambulance Corps, Inc. who provides volunteer ambulance service to the Town of Newington. Our agency over the past couple years has been reducing our fiscal dependability and liability exposure on the Town of Newington to a point that as of today, our agency is self sufficient with the exception of a couple of volunteer incentive programs the Town offers.

One of the more significant expenses was taking over the costs for workers compensation insurance. The Town, by a contract, was providing this coverage for the organization as part of their workers compensation expense at a cost of approximately \$13,000. The organization felt that we could absorb this cost in our budget and signed agreements to do so after receiving a quote via the assigned risk pool and rates from NCCI (National Council on Compensation Insurance, Inc.). That initial quote projected our cost would be similar in cost. After approving our budget and agreeing with the Town to move this forward, the agency providing the quote provided me information that the cost wasn't the previous amount provided because the payroll value for Volunteer Ambulance Service Company (\$127,300 in 2007, attached) was not based per agency but rather based per ambulance. The new quote for the year based upon new payroll value at \$133,100 in 2008 was going to be \$35,697. Agreements were already made and we moved forward, but seriously questioned why this was the case. I contacted the Department of Labor who referred me to the Insurance Commission who basically told me I could file a petition or something like that but that was the way it was. So I contact my state Representative Sandy Nafis, 27th district.

The basic question is if I am buying workers compensation coverage, why is it based upon vehicles and not personnel? I still have the same number of volunteers/employees whether I operate 1 ambulance or 3 ambulances, but the expense to me is 3 times higher. Newington has a primary ambulance and a secondary ambulance for 911 service. We have a third ambulance for special events, standby's, mechanical fill in, and a vehicle use rotation to keep mileage down. All three are very rarely on the road at the same time but it costs me another \$11,900 to have another ambulance, yet they are each very important to our agency and has nothing to do with workers compensation rates unless you need workers compensation coverage. As a result you are penalized for having additional equipment to serve the community even though you have a set number of

Newington Volunteer Ambulance Corps, Inc.

P.O. Box 310061

Newington, CT 06131-0061

Phone: (860) 667-5825

"Serving Newington With Pride And Excellence"

Fax: (860) 594-4148

volunteers/employees. I understand the rates are set by an established guideline, that has grouped us in with taxicab employees and drivers until just recently.

I do not understand the rating/calculating system that assigns a value of \$133,100 per ambulance for workers compensation insurance no matter the number of volunteers/employees. Even in the NCCI reference for class 7705 Ambulance Service Companies and EMS Providers and Drivers is says "in no case should the payroll of any such volunteer be less than \$300 per volunteer per year" (attached). If this was followed for my agency the annual payroll estimate would be \$15,000 for the entire agency per year. The estimated premium based on last years rate would be *\$1,341 not \$35,697*.

There must be a more appropriate way to calculate workers compensation insurance for volunteer ambulance services than basing it upon vehicles and not the volunteers/employees. Simple logic shows we are comparing apples to oranges and the result is a very large impact on a volunteer service's budget that is based upon insurance reimbursements, a fund drive, and donations, potentially impacting our ability to serve the community over time.

Thank you for your time and consideration of Bill No. 5519 and ask you to find a more logical approach to Connecticut's volunteer ambulance workers compensation costs.

Thank you.

Attached 1 supporting information page.

Chief Scott Woods

S.Woods@NewingtonEMS.com

ITEM B-1397—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND RULES**EXHIBIT 1—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION
AMBULANCE AND EMERGENCY MEDICAL SERVICES
CLASSIFICATIONS****AMBULANCE SERVICE COMPANIES**8385 **AMBULANCE SERVICE COMPANIES—GARAGE EMPLOYEES.** Includes the garage employees of volunteer ambulance service and EMS providers.-7370/7705 **AMBULANCE SERVICE COMPANIES AND EMS (EMERGENCY MEDICAL SERVICE) PROVIDERS All Other Employees & DRIVERS.** Garage employees separately rated to Code 8385. Ambulance service also includes "door through door" nonemergency medical transportation of patients between medical facilities. All other noncertified, nonemergency transports to be separately rated as Code 7370 or Code 7385.

Applies to volunteer ambulance or EMS personnel serving with or without payroll. Unless state statutes, regulations and/or rules specify otherwise, premium for such volunteers must be determined on the basis of the payroll normally received by nonvolunteer ambulance or EMS personnel doing the same or similar work; however, in no case should the payroll of any such volunteer be less than \$300 per volunteer per year.

Separately rate firefighters who also perform EMS to Code 7710 or 7711.

08/29/07 12:06 FAX 860 563 6467

TDBANKNORTHINSURANCE

004

Page 2 of 2

Page Document: Connecticut | Assigned Risk-Rate Pages | 01-07 Edition

Premium Determination for Partners and Sole Proprietors in accordance with
Basic Manual Rule 2-E-3

\$56,200.00

Premium Discount Percentages—(See *Basic Manual* Rule 3-A-19-a.) The following premium discounts are applicable to Standard Premiums:

First	\$5,000	-	-
Next	95,000	a	9.5%
Next	400,000	b	11.9%
Over	500,000	c	12.4%

now \$133,100

\$127,300.00

Payroll - to be used for Volunteer Ambulance Service Co.

United States Longshore and Harbor Workers' Compensation Coverage
Percentage applicable only in connection with *Basic Manual* Rule 3-A-4

25%

(Multiply a Non-F classification rate by a factor of 1.25. This factor adjusts for the difference in state and federal benefits only.)

Experience Rating EligibilityA risk is eligible for intrastate experience rating when the payrolls or other exposures developed in the last year or last two years of the experience period produced a premium of at least \$11,000. If more than two years, an average annual premium of at least \$5,500 is required. Page A-1 of the *Experience Rating Plan Manual* should be referenced for the latest approved eligibility amounts by state.

